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USTR WASHINGTON DC - CMORROW,
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STATE EBB/TPP/MTA/MS - ASCHEIBE,
DEPT OF TREASURY WASHINGTON DC - WSCHALL

E.O. 12958: N/A TAGS: <u>CS</u> <u>ETRD</u>

SUBJECT: DEMARCHE DELIVERED: SWISS 19 PROPOSAL FOR COSTA

RICA

REF: STATE 131146

- 11. Econoffs met with officials of the Costa Rican Ministry of Foreign Trade (COMEX) on September 25 to discuss the USG position contained in reftel targeting Middle Ground countries. COMEX officials affirmed the GOCR's allegiance to the Middle Ground group as part of the Non-Agricultural Market Access (NAMA) negotiations.
- 12. However, COMEX argued that it could not accept a tariff coefficient lower than 22. COMEX justified its position by stating that its status as a lesser-developed country within WTO and its market size required it to be prudent with any downward adjustment of tariff rates. COMEX added that it needs to consider tariffs for agriculture goods when reviewing its tariffs on non-agriculture goods so as to maintain an overall balanced regime of tariffs.

 LANGDALE